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Broadcast by Wallace L. Kaddorly Radio Service, Thursday, May 23, 1940, in the Department of Agriculture period, National Farm and Home Hour.

Just a few doors down the hall from my office is a news ticker. This type-writer operated by unseen hands chatters away hour after hour keeping Department officials informed on the rise and fall of commodity prices; things that happen at the White House and in Congress and--of course--the news from Europe. For the last few days almost everyone here and everywhere else has wondered what the events overseas will mean to the individual in the United States and to the nation. Well, it is much too early to tell much about that so I won't try to discuss possible effects on agriculture, although I might say in passing that the German advances haven't made things any brighter for the producers of most of our export crops.

Secretary Wallace undoubtedly will talk with you about this whole subject later so let us pass on to an announcement made yesterday, that a loan would be made on the 1940 rye crop. This loan, available to the rye growers who are taking part in the Triple-A farm program, will average about 38 cents a bushel. That's just about the average of the 1939 loan on this important crop.

As you will remember, the Department announced a loan on wheat last Monday--only three days ago. At that time we promised more details of this 1940 wheat loan, which was approved after the wheat markets had fallen far and fast in response to war news.

The wheat loan--available like most other loans to farmers cooperating with Triple-A--averages 64 cents a bushel, one cent higher than the average of the 1939 loan. An increase in the loan value of soft red winter wheat--wheat grown for the most part in the Middle West--is responsible primarily for the slightly higher loan this year.

Most of these commodity loans by the Department are part of the Ever-Normal Granary Program--a program which aims to assure to this country an ample supply of food and feed against such calamities as the 1934 and 1936 droughts or any other calamities. This year's wheat crop is likely to be about 100 million bushels short of the ten-year average of about 750 million bushels but--due in large part to wheat loans in 1938 and 1939--there will be a carryover of around 290 million bushels. That is more than twice the average carryover. So there will be more than enough wheat this year to supply all the bread--and cake too--that America needs.

Here are a few other wheat loan facts. The parity price of wheat on April 15 was \$1.13. The loan of 64 cents, that is available this year to growers cooperating in the Triple-A program is about 57 percent of parity. Farmers cooperating in the Triple-A program will receive payments of about 19 cents a bushel on their wheat allotments. When this added to the loan assures a return averaging around 83 cents a bushel for a large part of their wheat. I say a "large part" for a farmer may raise more or less than his allotment--but he gets the 19 cents only on the number of bushels in his allotment. Of course, some farmers will get more than 83 cents and some loss.

A report on the Farm Income Situation--just issued--shows that farm cash income, for the first four months of 1940 was about 275 million dollars more than for

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the same four months in 1939. The income from crops in the first four months of 1940 was 16 percent higher than the income from crops in the same period last year; the income from livestock was 6 percent higher and government payments were about 175 million dollars more than in the same period in 1939.

These figures for the first four months do not reflect the recent sharp declines in grains, cotton and other farm commodities.

The Weekly Weather and Crop Bulletin issued by the Weather Bureau--is out. It says the South needs rain --- in particular that part of the South east of the Mississippi. It was a little too cool for good growing weather in some parts of the Middle West and Northwest and elsewhere in the interior of the country, but outside of that in the words of the Weather Bureau, "the week just closed was generally favorable to crops in the principal agricultural sections of the country."

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